## Message Text

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**ACTION ARA-10** 

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 /082 W ------ 008770

R 112050Z MAR 75W FM AMEMBASSY SANTO DOMINGO TO SECSTATE WASHDC 3056 INFO AMEMBASSY PORT AU PRINCE

CONFIDENTIAL SANTO DOMINGO 1099

E.O. 11652: GDS TAGS: PINT, DR

SUBJECT: DISSATISFACTION OVER PRESIDENT'S INDEPENDENCE DAY SPEECH

REF: A. SD 0925 B. SD 0976 C. SD A-129, NOV. 20, 1974

- 1. WHILE PRESS REACTION TO PRESIDENT BALAGUER'S INDEPENDENCE DAY SPEECH WAS GENERALLY FAVORABLE (REFS A AND B), AS WAS THE REACTION AMONG MANY SECTORS OF THE POPULATION, EMBASSY HAS REPORTS OF NEGATIVE REACTIONS FROM CATTLEMEN AND BUSINESS GROUPS WHO FEEL THAT THEIR INTERESTS WERE THREATENED BY PROPOSALS PRESENTED IN PRESIDENT'S SPEECH.
- 2. SOME IMPORTERS AND RETAILERS ARE EXTREMELY DISPLEASED BY IMPORT RESTRICTIVE MEASURES WHICH WOULD RAISE THE IMPORT COST OF PASSENGER CARS, ALCOHOLIC BEVERAGES, HOUSEHOLD APPLIANCES AND TEXTILES WHILE CATTLEMEN WERE INCENSED NOT ONLY BY APPARENT INTENT TO PROCEED TO TAKE OVER CATTLELAND FOR AGRICULTURE BUT ALSO BY WHAT THEY UNDERSTOOD TO BE PRESIDENT'S PLAN TO ESTABLISH GOVERNMENT-RUN MILK COOPERATIVES AND THEREBY DESTROY PRIVATELY-OWNED DAIRY OPERATIONS. THERE IS FEELING IN BOTH GROUPS THAT PRESIDENT PLANS TO EXPAND PUBLIC SECTOR AT EXPENSE OF PRIVATE CONFIDENTIAL

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BUSINESS, THUS ENDANGERING FREE ENTERPRISE SYSTEM.

- 3. THESE NEGATIVE REACTIONS TO PRESIDENT'S SPEECH ENUNCIATED MOST CLEARLY BY EX-PRESIDENT OF NATIONAL DEVELOPMENT COMMISSION, LIC. LUIS JULIAN PEREZ, WHO HAS ASSUMED POSITION AS MOST OUTSPOKEN OF BALAGUER'S RIGHTIST OPPONENTS (REF. B). JULIAN'S CRITICISM HAS, TO CERTAIN EXTENT, SERVED TO HEIGHTEN DISSATISFACTION AMONG CERTAIN OF THE COMMERCIAL, INDUSTRIAL AND AGRICULTURAL SECTORS AND FED RUMORS THAT THESE GROUPS ARE ACTIVELY PLOTTING AGAINST BALAGUER.
- 4. REACTING TO CHARGES OF PLOTTING, PRESIDENT OF RANCHERS' ASSOCIATION, SILVESTRE ALBA DE MOYA, ON MARCH 8 STATED ON NATIONAL TV THAT RANCHERS WOULD ACCEPT THE LAW AND WERE IN NO WAY INVOLVED IN ATTEMPTS TO OVERTHROW BALAGUER. NONETHELESS, THE PACIFIC INTENTIONS OF THE CATTLEMEN ARE DOUBTED BY SOME OBSERVERS WHO BELIEVE IT WILL ONLY BE POSSIBLE TO TEST RANCHERS' STATE-OF-MIND WHEN SENATE HOLDS PUBLIC HEARINGS ON PASTURELAND BILL (REF. C) WHICH REINTRODUCED TO CONGRESS MARCH 5. (BILL WAS SURPRISINGLY REJECTED BY CONGRESS DURING LAST SESSION CAUSING ANGRY OUTBURST BY BALAGUER WHO HAD PRESENTED MEASURE.)
- 5. COMMENT. IN ADDITION TO DISAFFECTION CREATED AMONG SOME ELEMENTS BY BALAGUER'S SPEECH, EMBASSY HAS HEARD THAT THERE ARE ALSO CRITICISMS OF BALAGUER AMONG HIGHER RANKING MILITARY. THOUGH THEY HAVE NO INCLINATION TO GET OUT IN FRONT OF A POSSIBLE COUP. THERE HAVE APPARENTLY BEEN SOME DISCUSSIONS BY MILITARY OF POSSIBLE CRISIS SITUATION DEVELOPING AND OF VARIOUS ALTERNATIVES SHOULD SUCH SITUATION OCCUR, I.E., WHETHER OR NOT TO SUPPORT BALAGUER IF HE SHOULD ENCOUNTER OPPOSITION-LED MASSES TAKING TO STREETS, GENERAL STRIKE, WIDESPREAD TERRORISM, ETC. SHOULD SUCH A "NEUTRALIST" MILITARY POSITION IN FACT BE TAKEN AND WORD OF SUCH POSITION REACH OPPOSITION LEADERS AND/OR BUSINESS-MEN. THE PRESIDENT'S POSITION WOULD OF COURSE BE WEAKENED. HOWEVER, A MUCH MORE LIKELY PROSPECT IS A RETURN TO MORE NORMAL LEVEL OF GRUMBLING AND RESTIVENESS BY THE PRODUCTIVE SECTORS AND THE MILITARY ALONG WITH A GENERAL RECOGNITION THAT BALAGUER, NOTWITHSTANDING FLAWS, IS STILL THE MOST EFFECTIVE LEADER AVAILABLE. CONFIDENTIAL

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Subject: DISSATISFACTION OVER PRESIDENT'S INDEPENDENCE DAY SPEECH

TAGS: PINT, DR, (BALAGUER, JOAQUIN)
To: STATE

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